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Security Council

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Letter dated 25 July 2000 from the Secretary-General addressed to the President of the Security Council

I have the honour to inform you and, through you, the members of the Security Council, that, pursuant to paragraph 8 (a) (ii) of Security Council resolution 986 (1995), the Government of Iraq has submitted to me its distribution plan for the purchase of humanitarian supplies during the new period specified in paragraph 1 of resolution 1302 (2000). The Government of Iraq was informed today that I have approved the plan on the understanding that its implementation would be governed by resolutions 986 (1995), 1284 (1999) and 1302 (2000) and the memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq (S/1996/356), and would be without prejudice to the procedures followed by the Security Council Committee established by resolution 661 (1990).

A copy of the list of supplies and goods accompanying the distribution plan will be made available to the Security Council Committee. The list has been reviewed by experts of the joint unit established by resolution 1051 (1996), who have concluded that, on the basis of the information given in the annexes, no items have been identified which would be prohibited under the plans for ongoing monitoring and verification, or under Security Council resolution 707 (1991). They have also concluded that the necessarily general nature of the description of many items in the annexes to the plan renders it impossible to determine definitively whether or not an item is notifiable under the provisions of resolution 1051 (1996). They will keep the matter under review and provide further assessment in the light of additional information that may become available in applications submitted to the Security Council Committee.

The distribution plan and the letter dated 25 July 2000 from the Executive Director of the Iraq Programme addressed to the Permanent Representative of Iraq to the United Nations, conveying my acceptance of the plan, are attached.

(*Signed*) Kofi A. **Annan**

00-55178 (E) 270700

Annex I

Letter dated 25 July 2000 from the Executive Director of the Iraq Programme addressed to the Permanent Representative of Iraq to the United Nations

On behalf of the Secretary-General, I have the honour to acknowledge receipt, under cover of your letter dated 16 July 2000 addressed to the Secretary-General, of the distribution plan submitted by your Government for the new period as specified in paragraph 1 of Security Council resolution 1302 (2000) of 8 June 2000, together with the annexes to the distribution plan received from the Ministry of Foreign Affairs of the Republic of Iraq, through the Office of the Humanitarian Coordinator in Iraq, and would like to inform you that I have been authorized by the Secretary-General to convey in this respect the following.

In resolutions 986 (1995) and 1302 (2000), the Security Council requires that the Government of Iraq guarantee, on the basis of a plan to be submitted to and approved by the Secretary-General, equitable distribution of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs (humanitarian supplies) exported to Iraq under the conditions defined by those resolutions. The memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq (S/1996/356) provides that the Government of Iraq shall prepare a distribution plan describing in detail the procedures to be followed by the competent authorities with a view to ensuring the equitable distribution of humanitarian supplies and submit the plan to the Secretary-General for approval. The memorandum states in this regard that if the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

I have the honour to inform the Government of Iraq, through you, that, having examined the distribution plan, the Secretary-General has come to the conclusion that the plan, if properly implemented, should meet the requirements of equitable distribution of humanitarian goods to the Iraqi population throughout the country. The plan is therefore approved with the following understandings.

The increased caloric target of 2,472 kilocalories per person per day and financial allocation for the food basket, as indicated in table 1, is welcome and is in line with the Secretary-General's recommendation contained in his supplementary report of 1 February 1998 to the Security Council (S/1998/90) that a food basket of 2,463 kilocalories per person per day country-wide be provided under the programme. The increase in the allocation for the health sector is also welcome and is in line with the previous recommendations of the Secretary-General.

With respect to the targeted nutrition programmes for children under 5 and supplemental nutrition support for pregnant and lactating mothers, it is essential to take fully into account the findings of the child and maternal mortality survey (July 1999), conducted by the United Nations Children's Fund (UNICEF) and the Government of Iraq as well as the recommendations made thereon by the Executive Director of UNICEF and the Secretary-General (S/1999/896 and Corr.1, para. 103). The proposed allocation of $16.08 million for the targeted nutrition programmes in the three northern governorates of Dahuk, Erbil and Sulaymaniyah is therefore welcome. While taking note of the statement contained in paragraph 33 of the

executive summary of the distribution plan that, taking into consideration the accumulated stock balance from previous phases and the shelf life of the commodity [therapeutic milk], the total amount that needs to be purchased under the current phase will be 500 tons, at a total cost of $1 million, for the 15 governorates in the centre and south of Iraq, it is essential to keep the matter under constant review in order to make the necessary adjustments, as appropriate.

It is essential to keep under constant review the funding levels for the food and health sectors as well as for the targeted nutrition programmes and to ensure the timely contracting of all supplies in quantities sufficient to meet the requirements and the targets set forth in the distribution plan, in particular those contained in the supplementary report of the Secretary-General (S/1998/90). It is also essential to take all necessary measures to ensure the requirements of adequate warehousing, transportation and related infrastructure, thereby permitting the distribution of the enhanced, and full, food basket on a regular basis, as well as to bring about expeditiously improvements in the health and nutritional status of the Iraqi people.

With respect to the housing sector, I wish to draw your attention to the letter dated 12 June 2000 from the Secretary-General to the President of the Security Council (S/2000/565) and to my letter dated 12 June 2000 addressed to you (ibid., annex), concerning the approval by the Secretary-General of the proposals made by the Government for the inclusion of a housing sector as part IX of the distribution plans for phases VI and VII. I wish to inform you that the housing sector in the distribution plan for phase VIII is approved on the same basis and understandings as spelled out in those letters.

Having reviewed the plan and the categorized list of supplies and goods to be purchased and imported under the plan, it may be necessary to seek additional information and/or clarifications regarding some items in order to establish their relevance to the programme. Amendments to the plan, where appropriate, should meet the requirements outlined in paragraph 5 of resolution 1153 (1998). It is recognized that in certain sectors not all the information required under paragraph 5 of the resolution could be provided in the plan at this stage because of the complexity of the activities and the range of items to be procured. Accordingly, the Government as well as the United Nations agencies and programmes should take all necessary steps to ensure that applications submitted to the United Nations Secretariat will indicate priority and complementarity in compliance with paragraph 5 of resolution 1153 (1998).

The approval of the distribution plan is subject to the condition that its implementation is governed by the relevant provisions of Security Council resolutions 986 (1995), 1284 (1999) and 1302 (2000) and the memorandum of understanding (S/1996/356) and that, in case of inconsistency between the particular provisions of the plan, on the one hand, and the resolutions and the memorandum of understanding, on the other, the provisions of the latter documents shall prevail.

Furthermore, the approval of the plan is without prejudice to actions that might be taken by the Security Council Committee regarding applications for export of particular items contained in the list submitted for the Committee's consideration in accordance with its procedures.

The joint unit established by resolution 1051 (1996) will continue to review the categorized list in the light of additional information that may become available,

for the purposes of identifying items that are subject to monitoring because of their possible dual use for civilian and prohibited purposes under resolution 687 (1991) and other relevant resolutions.

Taking into account paragraph 9 of resolution 1302 (2000) and in accordance with paragraph 2 of resolution 1175 (1998) and paragraph 18 of resolution 1284 (1999), the Secretary-General, in consultation with the Government of Iraq, will submit to the Security Council Committee a detailed list of oil spare parts and equipment.

Finally, the approval of the distribution plan submitted by the Government of Iraq does not necessarily constitute an endorsement of all information or statements contained in the plan, and is without prejudice to any recommendation arising from the supplementary report of the Secretary-General (S/1998/90), as endorsed by the Security Council in its resolution 1153 (1998).

(*Signed*) Benon V. **Sevan**
Executive Director

Annex II

[Original: Arabic]

Letter dated 16 July 2000 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit to you herewith the distribution and procurement plan submitted by the Government of the Republic of Iraq under the memorandum of understanding of 20 May 1996 and Security Council resolution 1302 (2000). My Government would appreciate its speedy approval.

(*Signed*) Saeed H. **Hasan**
Ambassador
Permanent Representative

Enclosure

Distribution plan

Submitted by the Government of Iraq to the Secretary-General in accordance with the memorandum of understanding of 20 May 1996 and Security Council resolution 1302 (2000)

EXECUTIVE SUMMARY

1. The present Distribution Plan is prepared as referred to in section-2 of the Memorandum of Understanding signed on 20 May 1996 between the Government of Iraq and the UN Secretariat (referred to herein after as the "MOU") for the purchase and distribution of food, medicine, medical supplies and equipment and other supplies necessary for the essential civilian needs to help alleviate the hardships suffered by the people of Iraq. The plan constitutes an important element in the implementation of SCR 1302 (2000) and the Secretary-General's report of 8 June 2000 (S/2000/573). It includes a classified list of supplies and goods to be purchased and imported by Iraq for this purpose.

2. For the three northern Iraqi governorates, namely Dohuk, Erbil and Suleimaniyah, the procurement and distribution of essential civilian humanitarian supplies as well as rehabilitation activities will be the responsibility of the United Nations Inter-Agency Humanitarian Programme, (hereinafter "the Programme",) in accordance with paragraph 20 of the MOU and paragraphs 3 and 6 of its Annex I. In accordance with paragraph 2 of Annex I of the MOU, the humanitarian requirements of the three northern governorates in the Distribution Plan, (hereinafter "the Plan") were identified by the Programme, taking into consideration all relevant circumstances in the three northern governorates and in the rest of the country, in order to ensure equitable distribution. These requirements were discussed with the Government of Iraq and incorporated in the Plan.

3. A total amount of US$ 7,131.48 billion shall be available to meet the humanitarian needs of the people of Iraq. The Plan allocates US$ 1,266 million for food sector and US$ 518.42 million for food supporting and handling supplies sub-sector. The general food basket provides 2,472 kilo-calories and protein, especially animal protein (as dried whole milk and/or cheese) which will contribute 8.4% of total protein, and as reflected (in table below). The inclusion of weaning Cereal for infants fills an important nutritional need.

General rations	Plan VIII
Calories (Kcal)	2472
Protein-non-animal	51.70
Protein-animal	8.50
Total protein	60.20
Infants	Plan VIII
Calories (Kcal)	696
Protein	19.7

Fortification of vegetable oil with Vitamin A will help reduce the proven public health problem of this deficiency. Fortification of salt with iodine will continue as before, to reduce the problem of Iodine deficiency disorders, known to be prevalent throughout Iraq. The distribution of food will be carried out within the existing framework according to the ration system currently applied, which is described in the previous distribution plans.

The Plan allocates US$ 518.42 million for the Food sub-sector for spare parts and equipment, pursuant to the activities of storage and transportation of foodstuffs and grain milling as well as delivering them to consumers in conformity with the quantities of goods imported, in accordance with the MOU.

4. US$ 548 million are allocated to the Medical Services sector, 50% of which is for the import of medical supplies, equipment and required items for the rehabilitation of different equipment in Hospitals and Health Centers, While the other 50% is for the import of medicine. It should be noted that all Iraqi citizens, Arab and foreign residents have access to public health services. Medicine for chronic diseases will be the first priority among others. Spare parts will be purchased to repair service equipment, such as air-conditioning equipment and hospital elevators throughout the country. Subject to the provisions of the MOU relating to the three northern governorates, health commodities will reach the beneficiaries through hospitals and primary health care centers using the existing distribution system. The Plan allocates US$ 50 million for the three northern governorates, for medicines and medical supplies (Bulk Purchase). In addition, US$ 147.66 million is allocated for the rehabilitation of hospitals and health infrastructure in the three northern governorates.

US$ 16.08 million is allocated for supplemental nutrition support for pregnant and lactating mothers, by providing high protein biscuits, which will be distributed on a monthly basis to pregnant mothers in their last trimester, to lactating mothers for three months after birth, and malnourished children through Community Child Care Units/MOH in Iraq. Micro-nutrients (Iron and multi-vitamins) will be distributed to pregnant and lactating mothers through MCH centers. With roughly 50,000 births per month, the funds allocated for this distribution plan are sufficient to provide the additional caloric requirements for pregnant and lactating mothers.

5. The conditions of potable water and sanitation systems remain critical throughout Iraq. Rehabilitation requirements are estimated over US $ 604.09 million, in addition US$ 300 million to complete the unfinished project to serve 1.8 million inhabitants. The garbage collection had been neglected due to the shortage of funds and the sector needs US$ 100 million to purchase spare parts and new equipment. However, due to limited funds, the Plan allocates US$ 604.09 million, of which US$ 133 million for Baghdad serving about 6 million people in the city and its surrounding districts. US$ 471.09 million to be provided for the rehabilitation of water and sanitation facilities in the remaining governorates, including US$ 161.09 million for the rehabilitation of water and sanitation facilities in the three northern governorates. Deterioration in this sector continues as referred to in the UN Secretary-General's report of 8 June 2000 (S/2000/573). The report pointed out that the situation requires greater attention in this sector, which has a serious impact on public health, environment and population, especially children, women and the elderly. Equipment will be imported to rehabilitate potable water and sanitation facilities in Baghdad and other governorates.

6. As a result of the destruction inflicted on the electricity sector and the lack of spare parts and equipment for maintenance, the condition of the network has severely deteriorated resulting in frequent and prolonged power cuts to the consumers, including essential services such as hospitals, water treatment and sewage plants, wheat mills, irrigation and drainage pump stations, schools, universities and fuel stations. Although, the total allocation under previous phases increased substantially, the network continues to deteriorate for two main reasons: the scale of inputs received is significantly low in comparison with actual needs, and the large number of contracts on hold. The report of the UN Secretary General in March 2000 (S/2000/208) refers to this situation. This was compounded by a severe regional drought in the last two consecutive years, which has reduced the power generation from hydro units by more than 300 MW. The deficit in power was 1600 MW, 1700 MW and 1800 MW in the years 1997, 1998 and 1999 respectively, and the corresponding load demand was 5300 MW, 5500 MW and 5700 MW respectively. During a country wide load survey in Aug. 1999, the load demand was 6200MW and the deficit in power based on the load demand was 2300 MW. From the figures it is evident that the power generation deficit has been steadily increasing, as the power generation is not commensurate with the load demand. The details of installed capacity, available capacity, load demand and deficit in power are shown Annex-I/ Electricity. One measure that would remedy the present situation is the immediate approval of the large number of contracts presently on hold. However, the impact of current measures can be realized only after at least one year owing to long lead-times required for manufacturing the electrical system equipment and spare parts.

The investment required to rehabilitate the electricity sector is beyond the allocation indicated in this Distribution Plan; however, to address minimum requirements, this Plan allocates US$ 752.38 million for this sector. Within this allocation, US$ 134.38 million has been earmarked for the three northern governorates. The allocation for the northern governorates is essential to continue the rehabilitation of the distribution network, funds for reconnection of Erbil and Suleimaniyah governorates to the National grid, and to plan mini and micro power generation units in the region.

7. The Agricultural sector continues to suffer from the continuous deterioration of basic infrastructure and supporting public services, as well as serious shortages of agricultural machinery and basic inputs. The situation is further aggravated by the severe drought during the winter cropping season of 1998-1999 and still in the season of 1999-2000. A 50-96 percent drop in rainfall during winter 98/99 and 99/00 has caused complete failure in germination of 70% of the rain-fed areas and low yields are anticipated in the remaining 30%. The irrigation sector was drastically affected, as the flows in the two main rivers are the lowest since 1930. This is compounded by the lowering of water tables leading to drying up of irrigation wells, there by further reducing available water for summer crop irrigation. The adopted approach for the sector considered the interrelation of the various production factors as well as the emerged needs as a result of the drought. The vital role of the Agricultural sector is enhancing the availability of locally produced food items, mainly animal protein, vegetables, fruits and other oil seed crops.

The Plan intends to address the basic needs for veterinary infrastructure rehabilitation, and upgrading of the veterinary service capacity to respond to epidemic diseases. The plan also considered needed resources to sustain the GOI poultry Programme. Expansion in fish production as well as the enhancement of dairy production have been addressed within the available meager resources. The sector will receive US$ 805.13 million to respond to urgent needs. Of that amount, US$ 373.50 million is allocated to the irrigation sector (Center and South) to address part of the water resources rehabilitation needs, and to partially secure needed equipment and spare parts. The balance of US$ 431.63 million is designated to agricultural production, including poultry production. A total of US$ 216.63 million has been allocated to the agricultural and irrigation sub sectors in the three northern governorates of Iraq. The Plan has focused on the enhancement of domestic food production in order to contribute towards improving the diet of the population as this concerns both quantity and quality, in particular micro-nutrients, vitamins and animal protein. The proposed activities cover the provision, of the basic inputs for vegetable, fruit and animal production. These include inputs needed for soil preparation, irrigation, fertilizer, plant protection chemicals, and drugs for the control of animal diseases.

Identified drought related input will be submitted with the plan, in order to facilitate expeditious approval and funding as it is of high priority in this emergency situation.

8. Primary, Secondary and Higher Education sectors are in need of major rehabilitation work. The effects are clear on schools and other educational facilities; there are 1000 damaged school buildings. In addition to the increase the density of pupils in each classroom, there is a severe shortage of desks, where more than one pupil shares one desk. There is also severe shortage of books, whereby there is an actual need for preparing more than 50 million books annually. Due to a lack of, printing materials, spare parts and paper, the printing facilities of the Ministry of Education have stopped. All schools suffer from severe shortages of laboratories, aid and training materials. This undermines teachers and student rehabilitation and training. Higher education and public education have been also affected by the shortage of books and materials required by scientific departments of Iraqi universities. The needs of higher education for laboratory equipment required for students in medicine, pharmacy, and agriculture will be provided. Other general needs, such as reference books, spare parts for laboratory equipment, photocopiers and educational supplies will be made available as stressed by the UN Secretary-Generals report of 8 June (S/2000/573). This sector will receive US$ 388.98 million, out of this amount US$ 227.09 million will be provided for primary education of which US$ 67.59 million is allocated for the three northern governorates. For Higher education this plan allocates US$ 161.89 million of which US$ 41.89 million for higher education in the three northern governorates.

9. The Housing Sector is aimed at those who require immediate new housing and to support their permanent settlement in appropriate places, and assisting population in cities and towns to ensure better housing conditions. A total funding of US$ 757 million is allocated to this sector. For the three northern governorates the Programme aims through the provision of consolidated packages of services in the areas of: a) rural village resettlement; b) rehabilitation of resettled villages; c) infrastructure and services rehabilitation in townships and urban areas; and d) basic assistance for resettlement of families. A total funding of US$ 202.35 million is allocated for the Settlement Rehabilitation for the three northern governorates.

10. Landmines in the three northern Governorates continue to claim the lives of many people. An estimated 20% of the arable land of the region cannot be cultivated because of land mines. The implementation of humanitarian Programme, including resettlement, are also being severely hampered by lack of access to significant areas. The Programme aims at clearing mines in areas close to rural communities, economic activities and resettlement towns. Training, mine awareness and establishment and expansion of prosthesis

centers are also among the priority activities. The current Plan allocates US$ 36.89 million for the required activities in this sector.

11. The present condition of telecommunications and transportation throughout Iraq, including the three northern governorates, is extremely poor and requires immediate attention. A viable system of communications is integral to the life of the community and the successful implementation of the "Oil-for-Food" Programme, including distribution of food and medicines in a more effective manner, communication inputs, including telephone systems have been introduced, which are essential for information flow among service providers, for health education to communication and households, for coordination of sectors like food, agriculture, education, cultural, emergency health services, and environment. Due to the limited amount of funds, US$ 488.50 million have been allocated, of which US$ 8.00 million are allocated for the three northern governorates. The basic needs are reflected in the attachments.

12. In the oil sector, the needs and requirements should cover all the stages of production, such as the requirements of conducting and monitoring of oil deposits, wells reclamation and connections, maintenance, rehabilitation and operation of production and export systems. All these systems have been operating over the past years without the required maintenance, rehabilitation and compensation, although they are outdated and in bad need for that maintenance. It has been concluded that the upstream sector is in need of large funds to achieve these purposes. However, the actual need in this stage has been reduced to US$ 350 million, due to the limited funds available under the plan, and to provide the minimum and critical requirements. The responsibility of the oil sector includes another basic and vital aspect for the life of the Iraqi people, namely, the provision of energy and fuel to meet their humanitarian needs, and maintain their life in all its aspects, particularly the provision of liquid petroleum gas, kerosene, and fuel for power stations. This requires that oil refineries and liquid petroleum gas plants continue their production at high rates, as well as the provision of oil products and delivering them to end-users. The vital requirements, for this sub-sector, have been determined at US$ 250 million; due to the limited amount available. This makes the total requirements of the oil sector US$ 600 million.

13. The humanitarian needs of the population of Iraq are enormous due to the cumulative deterioration of living and environmental conditions during the years of embargo. The humanitarian situation and the goods to be imported for all sectors have been reviewed in accordance with paragraphs 4 and 11 of resolution 986 and by the report prepared by the UN Secretary-General. The report clearly pointed out that the various sectors mentioned in the above paragraphs still suffer from shortage of basic needs despite the

implementation of the distribution plan. There still remain needs for humanitarian supplies.

14. The Government of Iraq confirms its willingness to cooperate fully with the Programme and to allow it to observe throughout the country the equitable distribution of humanitarian supplies imported under this distribution plan. To this end the UN personnel working in the Programme will enjoy unrestricted movement in connection with the performance of their functions and the possibility of receiving what facilitates their functions in accordance with paragraph 44 of the MOU.

Table 1
Allocations for sectors activities covered by the Distribution Plan
DP VIII

Sector/Activity	Allocations in US$m (countrywide)	Allocations for Dihouk, Erbil, Suleimaniyeh (US$m)
SECTOR		
Food **	1.266.00	183.32
Food supporting supplies of equipment/ spare parts for food supply, goods transportation / trucks/ standardization and quality control labs.	518.42	1.42
Medicines and medical supplies	548.00	50.00
Water and Sanitation	604.09	161.09
Electricity	752.38	134.38
Agriculture Irrigation	431.63 373.50	216.63
Primary , Secondary Education Higher Education	227.09 161.89	67.59 41.89
Settlement Rehabilitation	202.35	202.35
Mine Related Activities	36.89	36.89
Nutrition	16.08	16.08
Health Rehabilitation	147.66	147.66
Transport and Communications / Rehabilitation of Railway Network	488.50	8.00
Housing	757.00	
SUB TOTAL	6,531.48	1,267.30
Oil	600.00	
GRAND TOTAL	7,131.48	

* The estimated allocations by sector constitute indicative figures to give an order of magnitude of intended use of resources. The actual amounts will depend on market prices at the time of procurement.

** The daily food ration will provide 2472kcal and 60.20 g of protein, 64.90 g of fat, 439.40mg of calcium, and 9.80g of iron.

*** The inclusion of milk and weaning food for infants fill an important nutritional need by adding 2 boxes of baby milk and 2 boxes of baby food and 1 kilo of milk for adult per capita.

PART ONE

FOOD SECTOR

Introduction

15. The Government of Iraq established special rationing system to ensure the distribution of foodstuffs to all Iraqi citizens, Arabs and foreigners residing in Iraq. The system was launched on 1 September 1990 after the imposition of the embargo on Iraq. It is presently applied throughout Iraq. Foodstuffs imported under the MOU are distributed by the Government of Iraq throughout the country except in the three northern governorates, where the Programme distributes the food ration to the population on behalf of the Government of Iraq.

The main features of the system

16. The main partners of the system are:

- Ministry of Trade / Government of Iraq
- The consumers (citizens of Iraq, Arabs and foreign residents).
- Retail ration agents (private sector).

17. The Ministry of Trade undertakes, on a monthly basis, the distribution of foodstuffs to the retail ration agents in their designated areas, and to ensure their delivery to the household registered with the concerned agents. There are more than 45864 ration agents distributing the food monthly in the 15 governorates and over 10,000 ration agents in the three northern governorates. Each ration card has a number of coupons that correspond to the basic food items involved in the system. The coupons are collected from the households monthly by the retail ration agents. The ration card covers one calendar year.

18. Every Iraqi citizen, Arab and foreign residing in Iraq is entitled by law to obtain "Rationing card " from the Registration Centers. These centers establish lists of families by name, age and number of consumers in each household and send the list to the computer center. The computer center sends one copy of each list to the retail ration agent and another copy of the list to food distribution centers.

19. The monthly individual ration under the current system is the same for each individual with regard to commodities, quantity and the related nominal fees. Households are well informed through public and private mass media, on a monthly basis, of their entitlements and on the time of distribution in various distribution centers.

20. The follow-up mechanism to ensure effective and proper implementation of the Rationing System is done through:

- The concerned monitoring offices of the Ministry of Trade.
- Elected People's councils .
- Citizens

21. The beneficiaries of the system have the right to submit to the Ministry of Trade complaints against the retail ration agent in their designated areas, if they discover that the agent is violating the relevant regulations. Accordingly, the Ministry of Trade circulates a questionnaire among all households registered with the said agent. If the findings show that 51% of the participating households in the process condemn the agent, his agency license will be canceled and a new retail agent will be immediately appointed.

22. The Mechanism of obtaining the rationing card, the required documents and complaints are as contained in the previous distribution plan, paragraphs (19, 20, 21, 22, 23).

Monitoring of Distribution

23. The observation of distribution and determining the adequacy of the materials in accordance with the distribution plan will be carried out according to paragraphs 37-38 of the MOU.

Plan for Food Distribution

24. The same mechanism of food distribution stipulated in paragraph 22 of the distribution Plan of Phase VIII shall be followed under this plan.

Arrangements for procurement and Storage

25. Arrangements for procurement, storage and the transport of foods supplies under this plan shall remain as stated in paragraph 24 of the distribution plan of phase VIII.

Location of the independent Inspection Agents

26. The locations of the independent inspectors will continue according to the current manner under paragraph 25 of the Distribution Plan of Phase VIII.

Warehouses

27. Specific warehouses shall be designated to store the foodstuffs imported by the Government of Iraq under the plan. The locations of these warehouses will be within the main storage complexes of the Ministry of Trade throughout the governorates of Iraq.

28. In accordance with paragraph 5 of Annex I of the MOU humanitarian supplies destined for distribution in the three northern Governorates shall be delivered by the Programme to warehouse within these Governorates. Warehouses in Mosul and Kirkuk , to which supplies may also be delivered , either by the Governments of Iraq or the Programme, will be under the management of the Programme.

Maintenance, Repairs, Rehabilitation and Replacement of equipment required on the basis of priorities for the handling, storage, supply and distribution of food

29. The Plan is based on the actual need of the food sector according to activities related to the storage and transportation of foodstuffs as well as grain milling and delivering to the consumers in accordance with the ration system and in conformity with the volume of the imported foodstuffs. The following has been taken into consideration in preparing this requirement:
Repairing and rehabilitating the apparatuses and equipment of grain silos in a manner that ensures the speedy transportation and receiving of the imported grains and supplying them to mills as quickly as required.

- Ensuring the minimum needs of the mills to keep them operating and to ensure the production of the best quality of flour, packing and delivering it to the citizens on time.
- Ensuring new means of transportation to enhance the capacity available in the country for the transportation of grains, flour and foodstuffs as well as their delivery to the citizens according to the determined timings. For example, the provision of trucks and repair of railways.
- Ensuring the minimum needs for cold storage and other warehouses for the foodstuffs as per their usage, the transportation of the stored goods, keeping them according to the requirements of their storage and facilitating their delivery to the citizens on time.

This Plan allocates US$ 518.40 million to ensure the procurement of the current needs for this sector as described in annex-1/trade.

Table 2
Iraqi population by governorate covered by the Plan

Governorate	Population	Adults*	Children under one
Ninevah	2331869	2266021	65848
Tameem	816113	794410	21703
Baghdad	5995007	5824774	170233
Salah Al-Din	899501	872834	26667
Diala	1176793	1145056	31737
Anbar	1173127	1136474	36653
Babylon	1305362	1270713	34649
Kerbala	686458	667360	19098
Najaf	879229	852094	27135
Qadisiya	847801	823675	24126
Muthana	513069	496988	16081
Basrah	1826893	1767651	59242
Maysan	776472	745741	30731
Thi-Qar	1417927	1371820	46107
Wasit	869206	845646	23560
Dohuk	764916	746670	18246
Erbil	1254213	1230821	23392
Suleimaniyah	1514323	1491252	23071
Total	25048279	24350000	698279

* THE ESTIMATED POPULATION NUMBER CALCULATED ON THE BASIS OF THE ACTUAL DISTRIBUTION FIGURES OF DP 6 TAKING INTO CONSIDERATION THE NATURAL MONTHLY GROWTH OF 0.23 %.

Table 3
Consolidated Plan and Categorized List of Foodstuffs, Soaps and Detergents
(PHASE 8)

Items (1)	Monthly ration per capita (kg) (2)	Total monthly requirements (ton) (3)	Total needs for six months (ton) (4)	Required value for six months (US$) (5)
1. Food, wheat flour*	9.000	271000	1626000	340000000
Rice	3.000	76000	450000	125000000
Sugar	2.000	50000	300000	104000000
Tea	0.200	4900	29400	61000000
Cooking oil	1.500	3740,,	224400	160000000
Milk powder	3.600	2520	15120	50000000
Dried whole milk and / or Cheese	1.000	24600	147600	226000000
Fortified weaning cereal	0.800	560	3360	7000000
Pulses	1.500	39000	234000	110000000
Iodized Salt	0.150	3750	22500	3000000
Subtotal				1186000000
2.Soaps and detergents soap	0.250	6400	38400	35000000
Detergents	0.350	8980	53880	45000000
Total				80000000
Grand total				1266000000

Note these figures represent indicative quantities and values subject to actual distribution and market conditions. The specified sum of each commodity is an indicative one and the total amount shall be used for all items in a balanced way in case of the decrease or increase of the international prices of commodities.

1- wheat is to be processed and distributed to beneficiaries, as wheat flour the conversion rate used is 10 kg of wheat to 8.4 kg of wheat flour.

2- quantities are calculated on the basis of population figures listed in table 2. The following allowances to retail agents are added to ensure the accurate ration weight is given to customers: 4% for wheat flour, rice and pulses, 2% sugar, cooking oil, salt, and detergents 0.5% for tea.

No additional quantities are given to the agents for milk powder and soap as these items are distributed by tins and pieces respectively.

3- children under one year of age receive only milk powder, fortified weaning cereal, soap and detergents.

Amount allocated for food is sufficient to cover the RFB due to expected lower food prices.

PART TWO

Plan for Purchase and Distribution of Medicine and Medical Equipment and Supplies

30. In drafting its health policy, the Government of Iraq has followed the guidelines published by the WHO Programme on Essential Drugs.
    - The provision of essential and cost-effective medicines to meet the needs of the whole population of Iraq.
    - To ensure equitable distribution.
    - To ensure the high quality and proper use of medicine.

31. Before August 1990, the rate of expenditure of the Ministry of Health was more than US$ 500 million for the purchase of medicine and medical supplies. There were also recycled stocks which were sufficient for more than one year in addition to the known annual funds of investment for infrastructure. Therefore, the amount allocated by the previous distribution plans does not meet health service needs. The shortage of the medical supplies makes health services scientifically incomplete. The provision of medicine without necessary medical equipment and diagnostic facilities does not permit the provision of essential health services. Thus, there is no full benefit from medicine and medical supplies without medical apparatuses, equipment and other support systems necessary for the rehabilitation of hospitals.

32. As regards medicine and medical supplies, the situation is exceptionally serious. Most of the patients still receive partial treatment. The local production of drugs is still substantially reduced. In 1989, the need for medicine was met with the Ministry of Health spending more than US$ 500 million to purchase imported medicine and medical appliances. Additionally, there were reserve stocks which permitted the continuous flow of medicine. WHO assistance might be required to address emerging health needs that may result from the recent draught situation. The distribution plan will respond to these needs as and when needed. Emphasis can therefore be made on the provision of drugs for emerging health problems.

33. The plan is formulated to meet the needs for medicine with top priority for medicines for chronic diseases. The urgent priorities include other medicines, medical supplies, medical equipment, the local production of drugs and syringes and spare parts as well as other equipment, spare parts and materials for the rehabilitation of service equipment in hospitals and health centers such as air conditioning, elevators etc... From the US$ 548 million allocated, 50% will be used for medicines and medical supplies and 50% for the

rehabilitation of hospitals and health centers and out of US$ 548 million, an amount of US$ 40 million is allocated for the Raw materials equipment, spare parts for samara drugs industry (SDI). However, as reported by UN Agencies and other observers, the situation of hospitals and health centers is still of much concern as they are in need for big investments which could not be made available. The report of UN Secretary-General of 8 June 2000 (S/2000/573) clearly pointed out the current situation of infrastructure of hospitals and health centers which are in need of very large funds. In addition the harsh economic and social circumstances and the deterioration of the living conditions resulted in an increased mortality and morbidity including malnutrition. It is estimated that 600,000 children under five years of age are malnourished. Each of them will be receiving 0.1 Kg/day of (Therapeutic milk) for a total of 25 days during a six-month period, the total needs will be 1500 tons (600,00x25x0.1). However, taking into consideration the accumulated stock balance from previous Phases and the shelf life of the commodity, the total amount need to be purchased under the current phase will be 500 tons. The total cost for six months will be US$ 1.0 million.

34. The Plan aims at the provision of high quality and low-cost medicine which meet the needs of the whole population of Iraq. Up to date medical equipment, such as CAT Scans and MRI, medical and surgical appliances, diagnosis equipment and vaccines are required. Among other priorities that require an urgent attention within the framework of the Plan, are the provision of pesticides, insecticides, for domestic use the provision of field vehicles to ensure communication within the health network and vehicles to transport medicine and medical equipment. It should be stressed that the public health sector cannot be improved by the provision of medicine and medical appliances only. The infrastructure of hospitals, medical centers and warehouses is in need of rehabilitation through the provision of spare parts and replacement equipment in addition to physical repairs. Furthermore, the provisions of 200 ambulances for the health services are basic and urgently needed to improve public health services.

35. The health situation in the three northern governorates has not improved significantly. The primary health care centers do not provide comprehensive services for mothers and children in particular. There are similar needs of medicines, medical appliances, basic equipment of diagnosis and modern equipment for treatment. Therefore, the basic components of the health plan for these governorates include the provision of medicine, repairing and maintenance of the basic infrastructure and the provision of spare parts. US$ 50 million have been allocated for medicine and medical supplies. The general condition of the health infrastructure and distribution systems at district level in the three northern governorates still need support. Equipment

for water quality control has begun to arrive in the north. However the need for more modern diagnostic and treatment equipment, and for rehabilitation of basic infrastructure remains. Therefore the basic components of the health plan for these three governorates include the continuing provision of basic medicines and medical supplies and medical equipment.

36. **Sub-Sectors**

Given the nature of the health care sector, priorities for individual items cannot be set without discriminating between patients. Purchase orders for essential drugs, medical supplies, equipment and support items will however be issued in accordance with the general priorities emerging in the health sector and in consideration of projected stock shortages. Special priority items or changes in priority or complementarily will be communicated through the Permanent Representative.

a. **Medicine and Medical supplies**: The objective pursued under the Plan is to make available needed medicine and medical supplies to health care providers throughout Iraq. The Ministry of Health will give focus to those items in the annexes, which are of general use in order to ensure a continuous flow of essential items to health facilities. However, for better efficiency and cost savings, US$ 40 million will be allocated to rehabilitate the local production capacity for disposable syringes and drugs which require import of spare parts, raw materials and new equipment for the plants.

b. **Rehabilitation of Health Facilities**: It is estimated that approximately 50% of the medical equipment is obsolete and/or un-repairable there by requiring replacement. However, given the limitations of funds only critical equipment for medical care and diagnostic purposes will be procured. The import of spare parts is to effect repair of equipment that can still be used. The overall objective of these measures is to improve the quality of care and hence add to the benefit expected from increased availability of medicine and medical supplies. Additionally health infrastructure rehabilitation is to improve general working conditions and provide better and acceptable hospital conditions for patients. This would be achieved through the import of spare parts and some equipment for hospital engineering such as air-conditioning, heating and elevators. In addition fork lifts, trucks and spare parts will be imported to facilitate distributions of supplies. Items listed for logistical, information processing and communications support is considered critical for an efficient distribution and inventory management system.

c. **Quality Control Laboratories**: Given the importance of this sub-sector allocations will be made to provide medical equipment to facilitate timely quality control testing as well as to allow for effecting all tests required by Iraqi regulations.

37. In accordance with the MOU and the distribution plan, in the three northern governorates, the Programme will be responsible for the distribution of medical supplies and medical equipment as well as for infrastructure rehabilitation. The Programme shall ensure that the needs determined by health sector are compatible with the basic needs of these governorates.

Plan Components

38. The components of the plan composed of the estimation of needs, the distribution, procedures for regulation and criteria for importation and storage will remain as contained in the first distribution plan, paragraph 43.

39. In accordance with paragraph 39 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of appliances and equipment to their locations in order to facilitate and ensure monitoring of their use. The Programme will conduct the tasks provided for in paragraph 8 of annex-I of the MOU.

Table-5

Criteria for distribution of Ambulances *

Serial no.	Governorates	Number of ambulances
1.	Nineveh	14
2.	Tameem	6
3.	Baghdad	60
4.	Salah Al-Din	8
5.	Diala	8
6.	Anbar	10
7.	Babylon	8
8.	Kerbala	6
9.	Najaf	6
10.	Qadissiyiah	6
11.	Muthana	6
12.	Basrah	16
13.	Misan	8
14.	Thi-Qar	8
15.	Wassit	6
16.	Dohuk	6
17.	Erbil	8
18.	Suleimaniyah	10
Total		200

* Distribution: One ambulance / 100.000 population.

Part Three

PLAN OF EQUIPMENT PURCHASE FOR WATER AND SANITATION SECTOR

40. Deterioration in this sector has manifested itself seriously in the decrease in quantities of potable water and in inadequate sanitation for the population, both of which have contributed to sharp increase in the incidence of water – borne diseases in the whole country . With the drastic deterioration in this sector during the past Nine years, a survey recently undertaken by UNICEF revealed that the water coverage has gone down to an average of 41 % in all rural areas. On the other hand, the per capita share of water has gone down to 218 liters / day in Baghdad, 138 liters / day in other urban areas and 91 liters / day in served rural areas . This deterioration is related to the acute need for new plants the poor functioning of most of the existing water treatment plants, lack of spare parts and equipment , the poor status of the water distribution network, and electrical power cuts of up to 10 hours per day. Water quality results, reported by MOH and WHO, have shown a high contamination percentage of water samples. On the other hand and while the turbidity of water reaching the population should not exceed 1 National Turbidity Unit (NTU) as set by Iraqi standards, more than 70 % of the water currently served is of a turbidity exceeding 10 NTU.

41. Despite the identification of the deteriorated situation of the sector of potable water and sanitation by the reports of UN agencies and the report of the UN Secretary- General of 18 May 1999 (S/1999/573), which clarified the actual situation of the projects and the minimum requires needs for maintaining their operation , deterioration continues, due to the limited sums allocated for this sector in the previous distribution plants, the delay in the arrival of supplies , mainly due to complicated process for S.C. approval as well as the nature of these supplies which require no less than six months for their manufacture and shipment.

Sector Objective and Strategies :

The overall objectives of the Water and Sanitation Sector in Iraq are :

1. To provide sufficient quantity of potable water to the population.
2. Dispose, hygienically, of all kinds of waste (solid and liquid).

To meet the above objectives three subsequent planning stages are to be followed :

Stage I: Rehabilitate the existing system to enhance efficiency and improved performance as well as quality . The estimated cost of this phase is US$ 700 million.

Stage II : Fill in the gap to reach universal accessibility of service where by the underserved and the unserved will be covered .

Stage III : Increase the level of service to meet the normal growth of the population.

The purchase strategy followed in preparing the three subsequent distribution plans of SCR.

42. The production of potable water in 14 governorates is 1200 million cubic meter / year. The design capacity of Baghdad is 850 million cubic meter / year . As the requirements determined in the previous distribution plans, have not arrived in Iraq yet, the current estimated capacity of these facilities is 30 % less than their design capacity. The water system in center / south Iraq is composed of 218 water treatment plant, 1191 compact water unit, 51 boosting station and thousands of kilometers of water supply pipes. In the north the system is composed of 21 water treatment plants, 640 bore-holes and 140 various other systems. However, most of these water supply systems are working at less than 30 % efficiency. Breaks and leaks of the water network are decreasing water pressure, water quality and per capita share as a result.

43. In sanitation, the situation is even worse. None of the 13 sewage treatment plants in the country is functioning properly, and raw sewage is disposed directly into rivers and causing contamination.

The sewage collection , and rainfall collection systems which are composed of 250 vertical sewage pumping stations and more than 1.000 sewage submersible pumping station are all malfunctioning and in desperate shape , because of the deteriorating status of the network , and the lack of pumps, spares and other supplies and mainly due to disability to construct new treatment plants and net work to face the population growth Other areas where septic tanks and cesspools are utilized for sewage disposal are also facing enormous problems due to the high water table and the breakdown of the fleet of cesspool emptiers.

Flooded septic tanks are flooding residential areas and causing contamination.

44. The current situation necessitates much attention to this sector , due to its negative effects on public health , environment and citizens, particularly children and women . This requires the allocation of US$ 604.09 million in the plan to meet the urgent humanitarian needs in this sector according to the details contained in annexes 1 and 2 / water and sanitation , US$ 133 million to Baghdad and US$ 310 million to the districts surrounding Baghdad and other 14 governorates, and US$ 161.09 million will be allocated to the three northern governorates.

45. The spare parts and equipment required for this sector are described in annexes 1-8 / water and sanitation.

The proposed DP has some changes in the purchase policy. Priority continues to be given to the purchase of water purification chemicals and some of the specific urgent required supplies in specific water treatment plants not only for Baghdad Municipality but also to the General Establishment for water and Sewerage.

There will be a focus on improving water services to under-served or unserved rural population by the purchase of 400 compact water treatment plants. More attention is being given to sanitation by the purchase of sewage pumps, cesspool emptiers, sewers jetting units, sewers cleaning equipment and garbage collectors. As a second priority, focus will be given to the purchase of supplies to water treatment plants (pumps, circuit breakers, starters, and motors) and also supplies for incomplete water treatment plant meant to serve unsaved population and whose civil works are 60-90% completed. Also, focus will be given to the purchase of some ductile and UPVC pipes for the water supply network. There will also be focus on water quality control through the purchase of required supplies. The water tankers, which are included in DP-VI, should be used to face needs incurred by the current drought situation.

On a third priority basis, water tankers to provide services to unserved areas and some support vehicles (trailers and loaders) will be purchased. An amount of up to US$ 161.09 million is allocated to the three northern governorates for the water and sanitation sector, where again the prevailing situation is very similar to that pertaining throughout Iraq. The pattern of deterioration has not yet been arrested. The adverse effects on public health and the environment and especially on women and children continue to be very much in evidence.

In urban areas the apparent ready access to water and sanitation systems tends to conceal the fact that the quality of potable water is highly variable and very dependent on a reliable and continuous electricity supply. The latter ensures that pressures remain sufficient to avoid drawing polluted water back into the main supply pipes. In addition many of the pumps are well beyond their useful working life, with the result that the supply of water o households is by no means guaranteed even where systems are nominally in place. For rural

areas, recent surveys indicate that water supply coverage is under 50%, rather less than had originally been thought.
access to sanitary latrines is much less at only 16%.
A particular problem in this sector is the widespread deterioration of the vehicle sanitation fleet, which is used for regular removal of both liquid and solid wastes. The much-reduced capacity of this fleet is compromising
both the health and environmental situations, which will become even worse over the coming summer unless corrective action is taken before then. Computers that are ordered as part of DP-VI should be used to computerize the management of supplies in the major warehouses in order to alleviate some of the present bottlenecks in the process of distribution of supplies in the Water and Sanitation sector.
The acquisition of more vehicles and repair of the existing fleet is therefore identified as a top priority, to which the sum of US$ 5 million will be allocated. The next priority will be for rural water and sanitation for an amount of US$ 4 million, and thereafter US$ 10 million for urban sanitation and finally US$ 11 million for urban water supply.

46. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to make sure of this. The Programme will conduct the tasks provided for in paragraph 8 of annex-I of the MOU.

PART FOUR

Plan of Supplies and Equipment for Electricity Sector

47. The deficit in electric power as result of damage inflicted upon this vital sector and non-availability of spare parts and equipment for maintenance, is a serious problem throughout the country. Although, the total allocation under previous phases increased substantially, the network continues to deteriorate for two main reasons: the scale of inputs received is significantly low in comparison with actual needs, and the large number of contracts on hold. This fact has been confirmed by various UN reports and in particular, the latest report of the UN Secretary-General of March 2000. The situation was compounded by a severe regional drought in the last two consecutive years which has reduced the power generation from hydro units by more than 300 MW. The deficit in power was 1600 MW, 1700 MW and 1800 MW in the years 1997, 1998 and 1999 respectively, and the corresponding load demand was 5300 MW, 5500 MW and 5700 MW respectively. During a country wide load survey in Aug'1999, the load demand was 6200 MW and the deficit in power based on the load demand was 2300 MW. From the figures it is evident that the power generation deficit has been steadily increasing, as the power generation is not commensurate with the load demand. The details of installed capacity, available capacity, load demand and deficit in power are shown Annex-I/ Electricity. Further, forced outages of large generating units in the network result either in cascade tripping or isolation of units from the network to prevent black -outs. This causes unscheduled and prolonged power cuts to the consumers, including essential services such as hospitals, water plants, sewage plants, wheat milling plants, irrigation and drainage pumping stations, schools and universities and other social services facilities. As also mentioned in the report of the UN Secretary-General of 10 March 2000 (S/2000/208), reliable power generation underpins health-and nutrition-related initiatives in all sectors.

48. To address urgent needs, a sum of US$ 752.38 million is allocated in this plan. The details of allocations are shown in annex-2/electricity. As there is a severe shortage of power, the Plan concentrates on increasing generation by installing new gas turbine generation units and carrying out rehabilitation and repairs to some of the larger thermal, gas turbine and hydro-electric power generation stations throughout country. The Plan also emphasizes the need to rehabilitate on transmission and distribution networks in different parts of the country and reconnection of the northern governorates with the National grid. It is proposed to install new gas turbine units alongside the existing, Baiji, Shamal, Mussayeb, Nassiriya, Baghdad East and other gas turbine power stations. It is decided to get advantage of utilizing the gas turbine generating units as combined cycle units. The estimated cost of new gas turbine units is

US$ 200 million and these units are expected to add around 300 MW. A sum of US$ 50 million has been allocated for additional rehabilitation of the gas turbine generating units at Khor Al-Zubair, Najef, and maintenance of other gas turbine power stations. These gas turbine units after rehabilitation are expected to add about 50 MW. The thermal generating units in Baiji, Mussaib, Daura, Baghdad south and other power stations are planned for rehabilitation on a turn-key project basis, possibly with the original equipment manufacturers, including technical services; the estimated cost is around US$ 100 million. After completion of rehabilitation, the units are expected to add 160 MW. An amount of US$ 35 million is allocated for maintenance and repair of hydro- generation units in Qadissia and Saddam power plants and the new hydro power plants in Al-Adhaim and Sinhareeb. This amount is meant for emergency repairs to ensure that the system remains operational and sustains the present level of generation, but no increase in generation is anticipated in the plan. Although the transmission and distribution networks are in urgent need of rehabilitation, within the limited available funds a sum of US$ 80 million is allocated for the distribution network and US$ 30 million for the transmission network. To start the construction of power plants in Yousifiya, Al-Shemal, Al-Anbar, and extend the Nassiriya and a new power station in Salah El-Deen, a sum of US$ 300 million is allocated.

The above mentioned figures could vary according to the urgency of the system requirements prevailing at the time of ordering. The Commission of Electricity is fully aware that the total sum of these priority projects exceeds the allocation expected for this sector. However, it should be stressed that the above figures are indicative for planning purposes and are a reflection of the scale of resources required to implement the above mentioned projects.

49. For the three northern governorates, the state of the electricity sector remains critical. This is exacerbated by the ongoing drought. While rehabilitation works on the system are progressing, a high priority at this stage is to secure additional funds for the urgent rehabilitation of the run-down distribution network. Therefore, US$ 10 million is allocated for Erbil and Dohuk governorates to fund stage 2 of the distribution. This entails continuing with: a/ improving the performance of the existing network regarding the quality of the power it supplies, the losses and outages it sustains, and the state of its main infrastructure; and b/ identifying the network reinforcements and developments required to electrify those regions which had supply before internal conflicts arose. Another major share of the resources (US$ 12 million) will be allocated towards the reconnection of the Erbil and Suleimaniyah governorates to the national grid. Discussions are currently underway between UNDP, UNOHCI and the Commission of Electricity in

Baghdad on the specifics of this endeavor. Finally, a small portion of the total funding will be allocated for the identification and definition of potential stable and self-reliant mini and micro hydro electricity supply for consumers (US$ 1 million per governorate). In order to address these priority issues, an amount of US$ 134.38 million has been allocated under this phase.

PART FIVE

PLAN OF PROCUREMENT AND DISTRIBUTION FOR THE AGRICULTURAL SECTOR

INTRODUCTION

50. The agricultural sector continues to play a leading role in providing a substantial portion of the population's nutrition needs. In spite of the various constraints resulting from the sanctions, which in turn brought a total halt to systematic development of the sector, the agriculture sector is deemed to continue to provide the population with the supplementary food requirements. The sector's cumulative and growing requirements are beyond the meager resources available through the Oil for Food Programme. Consequently, the plan strategies are still oriented towards halting, as much as the possible, the sector's deterioration and increasing the sector's contribution to food availability, giving due consideration to the additional constraints caused by the severe drought.

Agricultural production involves many complex and interrelated biological processes. This dictates that all interventions have to be addressed in a well integrated manner in order to achieve the targeted goals. Provision of the needed basic inputs will strengthen the sector and improve the availability of agricultural products at current or even lower prices.

The overall objective must be to address the problem of the supply of these urgent needs in order to stimulate domestic production of food items and thus offer a local available supplement for the food basket.

ACTIVITIES ENVISAGED BY SUBSECTOR
ENHANCED DOMESTIC FOOD PRODUCTION

A. 51 Production of field crops , vegetables and fruits

51-1 Agricultural production in Iraq is highly mechanized even at the small farmer level and almost one half of the area under crop production lies within the irrigated sector. The overall crop production requirements include proper soil preparation, good quality seeds, and harvesting with minimum losses. Any attempt aiming at maintaining or increasing the level of the crop productivity, therefore should address all those factors.

Failure to adequately respond to each of these inter-related activities, will seriously affect the achievement of the eventual crop production level. It is therefore essential, that appropriate inputs should be available for each activity in a timely manner. Indeed, timeliness is vital to the success of each activity. The time frame often being restricted to a mere day or two, if the resulting yields are not to be lowered.

51-2 Prior to the imposition of sanctions, it was estimated that the total number of agricultural tractors accounted to more than 40,000, working on the 4 million ha of arable land. This represents very approximately one tractor for 100 ha under cultivation. However, currently a large number of agricultural machinery have surpassed their useful life expectancy of 15 years. Agricultural production is therefore seriously affected by this situation. It is of paramount importance to continue addressing the issue of gradual replacement of the entire tractors, combine harvesters, and other agricultural equipment and implements.

51-3 In partial response to the urgent need for remedial measures in this regard, the plan includes the proposed acquisition of 3,000 tractors of different types. It is estimated that this quantity will enable adequate and timely soil preparation, seeding, weed control and fertiliser application for an area comprising approximately 450,000 ha which represents 11% of the total arable area (see Annex AGRI.-1A).

In order to overhaul some of the tractors already available in the country, the plan also includes the provision of spare parts for the different types of existing tractors. (see Annex AGRI-1 appendix 1).

The particular problem of soil preparation will be addressed through the proposed importation of 1,000 mounted moldboard ploughs together with spare parts amounting to 5% of the ploughs' value, as well as 1000 rotary tillers (see annex AGRI-1A).

Timely weed and pest control measures could only be undertaken if adequate numbers of agricultural sprayers are available. The plan therefore intends to

provide 6,000 mounted and wheel-barrow sprayers together with 5,000 knapsack sprayers. (see annex AGRI-1A).

Due to the acute shortage of operational harvesting equipment, post harvest losses are continually increasing. In many cases, the farmer has been forced to revert to manual harvesting methods which invoke high losses. In other cases, the poor conditions of the mechanical harvesters also increases harvest losses. It has been estimated that overall post harvest losses may at present, have risen to 20 or 25 % of the potential crop yield. The plan proposes to import 200 combine harvesters together with 250 pcs. of walking repers , 100 corn huskers and 250 threshing machines, plus assorted spare parts, in attempt to improve mechanical harvesting (see annex AGR-1A-and appendix-2).

51-4 Table (1) shows the allocation of the planned tractors to the 15 Governorates. This allocation is based on the area under cultivation and the number of available and operational tractors in each governorate. A similar procedure will be followed at District level. At farm level, all the farmers are eligible to apply to be an end user of a tractor.

Rehabilitation of seed factories is also addressed in the DP. The plan includes spare parts and essential equipment needed for seed processing . (see annex AGR-1D)

The plan also considered an expansion in the storage capacity of 11 maize threshing and drying plants in the central and southern parts of the country. In this regard the plan will import 20 silos for the storage of the maize produced during the rainy seasons, which coincide with the maize harvesting seasons (see annex AGR 1C and D).

The plan included provision of 5 maize processing plants for threshing and drying maize. This is in line with the Government policy towards the encouragement of animal production in the country through supply of required animal feed.

The Government took several measures, to help the expansion of maize production. Currently, the cultivated area under maize reached 150,000 ha.

The existing maize processing capacity cannot handle the locally produced maize.

The requested plants will add more than 1000 Mt of processing capacity. This will enable the absorption of the local maize products. The plants will be installed in Babylon, Baghdad, Waist, El-Tameem and Salad El-Din. The governorates are selected on the basis of size of land under maize production. (Annex Agri 1D)

Table –1

Distribution Plan For Tractors – Harvesters – Irrigation Pumps – Sprayers

Governorate	Tractors	Combine Harvesters	Irrigation pumps (with engine)	Irrigation pumps (without engine)	Irrigation pumps (for deep well)	(100) lt Sprayers	(400-600) lt Sprayers	(14-20) lt Knap-Sack Sprayers
Ninevah	450	37	1440	400	500	680	34	180
Tameem	362	23	1440	400	500	550	56	280
Salahdeen	274	16	1800	500	1000	500	118	550
Dyala	240	16	1800	500	300	500	116	550
Baghdad	140	11	990	275	200	500	74	360
Anbar	62	3	720	200	600	150	54	270
Babil	162	12	900	250	200	250	84	420
Kerbala	26	2	540	150	200	100	40	200
Najaf	218	10	900	250	300	250	74	360
Qadisya	252	16	1620	450	300	200	68	330
Muthanna	80	3	720	200	200	100	14	100
Thi-Qar	146	10	1080	300	300	120	36	200
Waist	388	26	1800	500	200	500	136	600
Maysan	176	13	1350	375	200	250	24	150
Basrah	24	2	900	250	1000	350	72	450
Total	3000	200	15000	5000	6000	5000	1000	5000

NOTE: The distribution allocations are based on cropping pattern and cultivated area Final distribution will be decided in proportion to the above table but determined by physical arrival of the consignments

Agricultural authorities will select beneficiaries on the basis of the following criteria: the farm size (area), the farmer's production index and the current state of old tractors on the farm. As the amount of mechanization equipment will fall short of present overall needs, priority will be given to those end users who have not benefited from similar distributions, either prior to or after the imposition of sanctions.

As regards the distribution of tractor operated agricultural machinery, all Governorates will be entitled to submit their requirements according to farmer demand. Any justifiable request will then be duly considered within the limitations of total availability.

Table (1) shows the proposed distribution of combine harvesters, which will follow similar criteria and be based upon cropped areas, the farmer production index and the current state of the farmer's harvesting equipment.

52. Lack of good quality seed continues to be one of the major constraints to increase crop production. The imposition of the sanctions resulted in reducing the country's capacity to produce quality certified seeds as well as the capacity to maintain good quality seed processing activities.

The lack of good quality seed remains to be among the serious constraints to crop production. The seed processing capacity in the country is limited. The plan, therefore, includes 5 seed production units which will be installed at the state seed production company within the MoA. The planned seed cleaning and processing is anticipated to provide additional 80,000 Mt of seed.

This will considerably contribute to the availability of good quality seed. The seed which will be distributed in the production areas in all the 15 governorates. (Annex Agri 1D).

Iraq faces a serious shortage of hybrid and certified seeds, especially sunflower and vegetable seeds, together with seeds and seedlings needed for the orchards. Prior to the imposition of sanctions, the country regularly imported both seeds and seedlings to satisfy the requirements. The embargo has interrupted supplies of these essential inputs and seriously lowered production as a consequence.

In order to redress the situation and to enhance the domestic production of fruit, vegetables and sunflower (for vegetable oil), the plan includes the proposed importation of hybrids, certified seeds and seedlings (see Annex AGR1-2 section A and B).

These inputs will be made available to all the farmers already involved in the production of such crops. The distribution plan to each governorate will be determined on the basis of the total area under each of these crops, with due consideration to both ecological and climatic factors.

The proposed quantities represent the following percentages of the annual requirements: 25% of vegetable seeds; 90% of sunflower seeds; 100% of rape seeds; sunflower and Soya beans; and 80% of orchard seeds and seedlings.

The Government put great emphasis on the vegetable and fruit production in an attempt to ameliorate the nutritional value of the diet for the population.
However, the availability of cold storage facilities is limited. This causes in a great loss and damage during the peak of production. In addition to wasting valuable nutrients supplementing the food basket, it also affects the profitability of vegetable production at the level of the farmers.
Thus, the plan considers provision of 300 cold storage units with capacity of 100 to 500 mt to be distributed to the public and private sectors in the 15 governorates. (Annex Agri 1D)
The plan is proposing the establishment of 5 ha nursery for banana production . The nursery beside the production and distribution of the banana seedlings will act as an extension center to promote the small-scale banana production in the center and south. For this, needed equipment and necessary input are included (Annex AGRI-2 section D).

53. Iraq previously was able to satisfy the greater part of all national fertilizer requirements through national production and manufacture. However, the factories suffered severe damages after 1991 and this has drastically reduced the possibility of self-sufficiency in the production of this input.
Shortage of fertilizer has led to large areas of crops being grown without application of any fertilizer. In other cases, application rates have been considerably reduced which significantly lowered the crop yields. The situation has been further aggravated by the practice of mono-culture of cereals, as described above. This seriously reduces soil fertility which can only be redressed by increasing the application rates of fertilizers. The situation was worsened by the lack of sufficient locally produced fertilizer and imported fertilizer which was limited due to financial constraints.
The country's total annual fertilizer requirement is 1.5 million Mt of compound phosphate fertilizer and 1 million Mt of nitrogenous fertilizer.
Prior to the Gulf War, the country's total production capacity was 1.2 million Mt of phosphate fertilizer and more than 1 million mt of urea. The production in relation to limited area under cultivation at that time allowed surplus which was exported.
However, during the sanctions the three state fertilizer plants suffered marked deterioration in their productivity and reached a stage of near total collapse. Last year, local production dropped to 130,000 Mt of phosphate fertilizer and 400,000 Mt of urea. The current production covers only 10% and 40% of the country's need of compound and nitrogenous fertilizers, respectively.
The plan aims to address the current big shortage of fertilizer through provision of needed replacement equipment and spare parts for rehabilitation of the three existing fertilizer plants in the country as indicated in Annex Agri 2 F.

The requested input is anticipated to prevent further deterioration of the current capacity as well as to increase the total fertilizer production capacity to 600,000 Mt of urea and 220,000 Mt of compound fertilizer. The final products will be distributed to the farming community in the 15 governorates at cost price.

To bridge the shortage and in an attempt to maintain the current level of production, it is proposed to import 40,000 Mt of di-ammonium phosphate (DAP) which in fact corresponds to 98,000 Mt of N.P.K (18.18.0). Such a procedure will reduce transportation costs and also help to overcome some of the logistical constraints, which could be encountered during the distribution process. In addition to the DAP, 5228 Mt of potassium , magnesium , zinc , ferrous sulfate and fouler fertilizer are to be imported plus 10,000 Mt of TSB fertilizer. (see annex AGRI-2 section C).

This total quantity of fertilizer has been proposed on the basis of satisfying the minimum plant nutrient requirements for approximately 320,000 ha under both cereal and vegetable crop production.

The allocations accorded to each Governorate will be made with due consideration of the present availability of locally produced fertilizers, together with an assessment of the current state of the soil fertility.

All farmers will have equal accessibility to the planned inputs. They may submit their requests, which will then be evaluated according to the farm holding size, the type of the crop grown and the recommended fertilizer application rates for the particular crop.

The plan also includes the implements required for agricultural industry requirements fc. plastic covers sugar industry, phosphate and urea production with patching material in addition to the urgent need for tractors and sprinkler irrigation rehabilitation sector. All requirements are shown in Annex-AGRI/2-H,I,J,K,L.

Rehabilitation of extension sector is also addressed in the Distribution Plan. the plan includes the essential equipment needed especially for the main 5 centers in the center and south and also for field extension.

54. Agricultural production in many parts of the country relies entirely upon irrigation, whereas in other areas, supplementary irrigation is used to complement rainfall supplies. There is an urgent need both to repair and replace many of the irrigation pumps. Many of the pump units which have been installed previously are powered by electric motors; the frequent electrical power failures which Iraq is currently facing indicate that even installed and operational units cannot always be used.

The plan proposes to redress this situation by acquiring 15,000 irrigation pumping sets of different capacities, in addition to 5,000 pumps (without engine) with 5,000 suitable generators most of which are to be powered by diesel or electricity, and spare parts for irrigation pumps of different types.

In response to the prevailing drought situation, 6000 pumps for deep well as well as spare parts for such a pumps is included . 10,000 sprinkler and drip irrigation units are also included. The overall objectives are to ensure the ability to irrigate an area between 250,000 and 350,000 ha. Naturally, the area which will eventually be irrigated will depend upon total water requirements which in turn, depend upon both the crop under production and the local climatic characteristics during the crop growth cycle (see Annex AGRI IA and appendix 3).

The proposed distribution plan for field irrigation pumps to the Governorates is based upon the total area under irrigated crop production and previous provision of irrigation inputs (see Table 1). Distribution to the end user will depend on current needs of the farmer which will be evaluated once the applications are submitted.

55. Plant pests, diseases and weeds impose a serious threat to crop production. The capacity of the plant protection service to efficiently respond to the increasing threat of plant pest and diseases continue to be limited. Currently only 5 aerial spraying helicopters out of the fleet of 27 are operational. However, their total remaining flying hours never exceeded 300. In response to this serious shortage which is drastically effecting the plant protection operations, the plan included provision of six fixed wing agricultural spraying air-crafts with necessary spare parts, overhauling of 12 spraying helicopters, fast consuming spare parts for the aircraft, 20 fuel tankers with needed spare parts as well as 100 field vehicles for ground control operations. (see Annex AGRI-1B).

With the objective of at least maintaining present levels of production, a range of herbicides, insecticides, fungicides and other pesticides has been proposed. (see annex AGRI-3). These are needed for more effective control of the most serious and widespread weeds, diseases and pests.

The quantities of the herbicides requested, represents approximately 25% of the total estimated national crop protection requirements. Weed control will be undertaken either through ground or aerial spraying methods. The herbicides will be distributed to farmers according to levels of infestation and the area under crop production.

The pesticides will also be allocated to the Governorates according to infestation levels. The ultra-low volume (ULV) pesticides will be applied through either aerial or ground control application procedures which will be undertaken by the State Board of Plant Protection. Specific targets include sun-pest, local grass hoppers and date palm diseases.

Emulsion concentrate (EC) pesticides will be available to the farmers according to their needs. Upon receipt of specific farmer requests, the plant protection staff will determine the type, quantity and application dose required for each individual case.

Additional agro-chemicals have been requested for the bee industry which is similarly affected by acute shortages of essential control inputs. Distribution and control procedures will be similar to those indicated above for the pesticides. (see Annex AGRI-3).

In order to minimize the cost of some plant protection measures against some plant diseases and weed, which until now relay on expensive pesticide and herbicide, the plan is to import high concentrates of two insecticides: Sumicidin 92% and Diazinon 95 as well as two herbicides Proponil 96% and Glyphosate for weed control in rice fields and orchards, respectively. The concentrates will be used in formulation of big quantities of insecticide and herbicide to be distributed to the farmers in the 15 governorates. (Annex Agri 3E)

B-Animal Production

56. Live stock raising is practiced in most parts of Iraq. Prior to the imposition of the embargo, livestock production contributed between 30 and 40% in value to the total production of the agricultural sector. It also played a important role in providing a significant part of the nutritional requirements at household level.

Livestock production continues to constitute a major source of animal protein throughout the country but as a whole, the sub-sector has suffered greatly as a result of the sanctions and its contribution to the country's food security has been drastically reduced.

Previously, the per capita share of domestically produced animal protein was estimated to be 18 g/day. This may be compared with the minimum per capita requirement recommended by the World Health Organisation (WHO) which is 28 g/day and the current domestic production which is estimated to be only 2 g/day.

Prior to the imposition of sanctions, the government bridges the gap through regular importation of red meat and poultry products. However, this is now severely restricted. As a consequence, a marked deterioration in the general health status of the population has been noted, particularly in children up to 15 years of age, who currently represent 45 % of the total population.

56.1 Animal production levels depend upon a number of inter-related factors of which some of the important ones are genetic stock, feed characteristics and animal health. Furthermore, even genetically improved livestock when managed through appropriate feed regimes, could still fail to reach optimum production levels, if attention is not paid to maintaining the animal's health.

The General Veterinary Directorate within the Ministry of Agriculture is responsible for all aspects of animal health. The total value of annual imports of animal health requirements amounted to some $ 30 million. This included acquisition of necessary vaccines, drugs and equipment, as well as necessary field transport means and cold chains facilities.

Previous activities included regular vaccination Programme against serious endemic diseases, together with campaigns for drenching, dipping and spraying animals against endo- and ecto-parasites as well as zoonotic diseases.

This budget has now been drastically reduced and under the oil-for-food Programme, the value of inputs imported for animal health purposes has on no occasion exceeded US$ 5 million every 6 months. The field Programme has also been considerably reduced, which is now resulting in serious and widespread outbreaks of a whole range of viral, bacterial, parasitic and tick borne diseases.

Both brucellosis and tuberculosis, which were previously under control, are now spreading widely. Currently, brucelloses is positive in 10% of the sampled sheep. In addition, circumstance of screw worm out break and the recent of FMD out break, impose further threat to live stock in the country In addition, cases of endo parasites, congo fever and echinococcus, have been registered.

The drought situation caused drastic effect in livestock animal production. The shortage of voluminous forage and concentrate led to weaken the animals and expose them more vulnerable to the disease. Under the current prevailing situation, the veterinary authority is not in a position to consider major epidemic disease eradication measures. However, to carry out efficient disease control measures during the outbreak, additional financial resources beyond the MOU funds are needed. In the prevailing sanctions situation, any long-term strategy and development activities are not possible.

56.2 The plan aims to make maximum use of the limited available resources, supplementing them in key areas selected on a priority basis, with the overall objective of commencing a Programme to redress the present serious situation.

56.3 The proposed rehabilitation of the cold chain facilities comprises provision of spare parts and refrigerators. (see Annex AGR1-4).

56.4 The plan also includes the provision of 10 of 15 ton tankers and mobile dip with trailer for increasing the activity of external parasite equipment in the 15 governorates .

56.5 The plan also considered the provision of priority supplies for animal health. This includes vaccines, veterinary drugs and supplies, together with application equipment (see Annex AGR1.4 A,B,C,D,E,F and G).

Particular attention has been focused on the need for surveillance and control of epidemic diseases. Livestock production in Iraq is normally undertaken according to traditional methods carried out by nomadic groups and

characterised by considerable transhuman movements. Such practices result in scattering the livestock population throughout the country, which in turn, obliged the mobilization of veterinary service teams. It is only through such methodology, any control or eradication can be achieved.
The plan thus includes the acquisition of mobile veterinary, clinical and field vehicles for transport of the teams involved in the control operations as well as needed chemicals.(see Annex AGRI. 1 and 4).

56.6 The plan includes basic equipment needed to improve the diagnostic capabilities at the various veterinary centers (see Annex AGRI-4).

57. During the 1970s and 1980s, the government focused intense efforts on building up a poultry industry designed to respond to the nutritional needs of the country. This Programme included the establishment of a number of different sizes of modern poultry farms for the production of both table eggs and broiler meat. In addition, stock farms, hatcheries and poultry slaughter houses were established.
The Programme included economic incentives and fostered the establishment of efficient means for the provision of poultry health services. Regular supplies of the necessary production inputs were organised and by 1989, a total of some 8,000 poultry farms were operational. Production at that time was estimated at 1,700 million table eggs and 250,000 tons of poultry meat.

57.1 The Government of Iraq is very much concerned of the nutritional status of the Iraqi population, in particular, the lack of animal protein in the SCR 986 food basket. For this reason, it is in favour of a plan which would allow enhancement of domestic production of animal protein, especially the reactivation of the poultry industry.
The broiler and table egg reactivation Programme under the enhanced phase-V is continuing . The initial impact of the project is already visible with a marked reduction of market prices of poultry products in the country and also stabilization of red meat market prices. The MOA poultry revival Programme managed to rehabilitate 2300 broiler poultry farms out of the farms identified as suitable for rehabilitation in a short time with reasonable resources. The inputs allocated under this Distribution Plan will further sustain the Programme achievements and are essential to maintain the planned level of production.

57.2 This plan will address the major components of poultry production through two parallel activities. The first of these will focus on addressing the rehabilitation needs of those farms which most easily and quickly could be brought back into production. The second will provide the basic production

inputs for both table egg and broiler production (see Annex AGRI-5 A,B and C).

The overall objectives include an monthly production of 45 million table eggs and 5,000 to 6,000 mt of broiler meat.

Poultry production requires housing with a controlled environment in order to allow optimum production levels, whilst reducing the risk of high mortality rates due to air borne diseases. The rehabilitation of a further 1,200 farms is envisaged, including the provision of emergency electrical power supplies. Using range of 25-500 KVA generators mounted to 2600 pcs.

57.3 The broiler production cycle is short and requires the regular supply of day old broiler chicks. In addition to the locally produced one day old chicks, importation of 15 million broiler hatching eggs is needed to meet the Programme requirements.

The plan addressed the shortage of layer hatching eggs and proposes to import 25,000 and 140,000 one day old grand parent and parent laying chicks in series of consignments. The intervention is aiming at supplying the poultry parent stock farms with needed one day parent chicks required for production of layer hatching eggs (AGRI –5A).

Poultry production requires a supply of balanced rations containing both high quality proteins and micro-nutrients. The bulk of the energy requirements will be met through the use of domestically produced maize, barley, sorghum and other grains. The protein and micro-nutrient requirements and energy for both layers and broilers will be met through imports of maize and Soya bean-meal and poultry concentrate and pre-mixes. (AGRI-5A)

The Plan also indicates the need to import equipment for farm transport and for the packing of final products in addition to the spare parts required for the operating 110 hatcheries and 30 slaughter houses and poultry houses and also the rehabilitation of the main feed analysis laboratory in Baghdad. (annex AGRI –5A,B,C,D and E).

The MOA poultry Programme has proven the efficiency in regard to broiler production. Poultry meat produced by the Programme has a positive impact by increasing the availability of meat and raising affordability by a large number of the people.

However, egg production is still lagging behind. The main reason is that the risk involved in rearing pullets from one day to 18-22 weeks is high. In order to encourage expansion in egg production, the MOA is planning to establish facilities for producing layers at laying points to be distributed to layer growers. This will be supported by distribution of layer houses to those who are interested in egg production. To achieve this, the plan includes provision 18 poultry houses to be installed in Baghdad within the premises of the state company of Animal resources for the production of one million layers.

The plan also includes the purchase of 54 layer houses to be distributed to table egg producers. The plan target is production of 250 million table eggs yearly throughout the 15 governorates. (Annex Agri 5F)

58. The plan also considers maintaining and whatever possible enhancing livestock productivity and production, approximately 85% of the cattle population within the country are indigenous breeds with milk production levels ranging from 200 to 1,500 kg per lactation. Since the imposition of sanctions, attempts to improve breeding of the stock through artificial insemination have been virtually paralyzed. There is an urgent need to reactivate the breeding Programme, particularly in view of the prevailing economic and food security situation.

To these ends, the plan includes importation of 10,000 pregnant heifer and 20 progeny tested bulls and the acquisition of basic artificial insemination equipment.(see annex AGRI-4 I)

In an attempt to enhance animal protein availability, revival of fish production is considered in this plan. The country has great potential for fish production and considerable investment in this sub-sector, had been made for its development.

Similar to the situation in other sub-sectors, fishery sub-sector has also suffered immensely, and the full exploitation of the available potential is constrained by the lack of resources.

The plan addressed the fishery sub-sector requirement through the provision of equipment needed for fish finger productivity, parent fish stock, needed spare parts to rehabilitate the existing equipment, rehabilitation requirement of fish hatcheries and needed fishing equipment. (see annex AGRI-4 H)

In line with the above and in an attempt to maximize milk production , the plan included the provision of spare parts for milking machine , portable milking units and milk containers to be distributed to dairy stations and to small and medium dairy farms (see Annex AGRI. 4 J)

58.1 The plan for the three northern governorates still aims to increase agricultural production and put food items in the market at affordable prices. This will mitigate the negative impact of sanctions both on producers and consumers and also prevent further deterioration in the sector by responding to basic needs of small and medium size farmers.

The plan has been prepared in close consultation and cooperation with the local authorities and took into consideration present and future need of each sub-sector on the basis of the identified priorities and formulated projects aimed at realizing the objectives in enhancing the capabilities of the sub-sectors to produce food commodities.

In animal health and production, the plan responds to the need of the sub-sector in the area of animal disease control, improvement of genetic basis of

the local breed, rehabilitation of veterinary infrastructure as well as through provision of small ruminants to vulnerable groups. The plan will also sustain the current poultry Programme.

Planned input under farm mechanization is intended to contribute to development of skills, rehabilitation and provision of needed replacement for the existing agricultural equipment in an attempt to improve soil preparation, harvesting and seed processing.

In the irrigation sub-sector, the requested supplies and equipment will provide additional irrigation facilities, enhance capacity in the sub-sector as well as rehabilitation and maintenance of irrigation infrastructure.

The plan also addresses extension, training and research requirements which are needed for improving crop and animal productivity through familiarizing farmers with modern technique and better understanding of the agricultural requirements.

Inputs under plant production, which include seed and fertilizer, are anticipated to contribute to the improvement of crop productivity.

Needed inputs for efficient plant protection include provision of pesticide, application equipment and utility, which will facilitate safe and efficient application of agro-chemicals and strengthen the existing infrastructure.

The plan includes provision of inputs for production of various forest tree seedlings needed for catchment of dams and rivers.

Based on the experience gained and the infrastructure and assets already created, the plan anticipates to accommodate any line up on the shelf of projects that would be implemented in the event that the existing drought continues, or if any drought occurs in the future.

IRRIGATION SUB SECTOR

Rainfall in Iraq was extremely low and erratic during the 1998/1999 and 1999/2000 agricultural season. As a result, both rain-fed and irrigated crops were severely affected.

Lack of essential irrigation water schedules due to low water levels in rivers and reservoirs seriously affected the irrigated crops. The Distribution Plan details immediate intervention measures required for the maintenance and rehabilitation of the existing water resources infrastructures, to arrest the deteriorating situation and the adverse effects of drought on human, crops and livestock. A speedy approval from the UN Sanctions Committee for the distribution plan inputs will enable early intervention to alleviate the disastrous trails left by the drought on human, crop and livestock.

59. Pumping Stations: The water pumping stations plays a key role in the irrigation systems which have been established in many parts of Iraq. These not only provide the irrigation water to the fields but also, drain part of it out

again. Unfortunately, the vast majority of these stations are suffering from frequent breakdowns as the equipment exceeds the end of its useful life. There is also an acute shortage of necessary spare parts for maintenance and repair. In many of these cases, rehabilitation will prove uneconomic and indeed, will often also not prove to be technically feasible.

The plan therefore proposes that a number of the pumps should be replaced whilst others will be rehabilitated through provision of spare parts. The proposed inputs are presented in the Annex AGRI-6.

The overall objective of this intervention to provide services for approximately 750,000 ha of land which at present, are suffering from a severe lack of pumping capacity and efficiency.

59.1 Maintenance of Irrigation Projects: Whilst the establishment of irrigation projects requires a very high level of investment, it will be a waste if those projects are not adequately maintained. Many of the soils in Iraq are alluvial and are exposed to erosion. This causes high rates of sedimentation in the rivers, which could adversely affect water supply for irrigation purposes.

In order to maintain these resources, the rivers and water channels require continuous dredging. Equipment and sprinkler irrigation systems for maintaining the high efficiency of the irrigation projects need either to be replaced or to be repaired. The annex AGRI-7 indicates the immediate requirements, which have been identified for inclusion in the present plan.

59.2 Surveys and monitoring of water storage structures: The main infrastructure for water storage and control consists of dams and barrages. These not only store the water prior to its distribution but also constitute a vital component of the flood control measures. As part of the maintenance procedure for such structures, periodic monitoring surveys must be undertaken. In addition, the Saddam Dam on the upper Tigris above Mosul requires grouting for its foundations.

The inputs required in this regard are presented in the annex AGRI-8.

59.3 In vast areas, ground water resources represent the only source of irrigation and drinking water. Governorates which currently suffer from water shortages include Kerballa, Najaf, Anbar, Tamem, Diyala, Salah Al-Deen and Basrah.

The inputs consisting of equipment and spare parts which are required for restoring the ground water supply are listed in the annex AGRI-9.

59.4 Water and Soil Analysis: Deterioration of water quality and agricultural soils throughout the country necessitates continuous monitoring by the Ministry of Irrigation. These activities need well equipped laboratory facilities. To enable the Ministry to carry out these activities, necessary laboratory instruments and supplies have been included in the plan (annex-AGRI-10).

60. In the three northern governorates of Dohuk, Erbil and Suleimaniyah, the sector has suffered drastic deterioration as a result of the sanctions. Crop yield remained very low due to , (a) poor land preparation which resulted from obsolete machinery and non-availability of spare parts, (b) increased insect/pest/weed infestations arising from lack of basic agrochemicals, (c) deteriorated soil quality and fertility, (d) destruction of most irrigation infrastructure and service, (e) inadequate training both at farmer and extension worker's levels, and, (f) virtual non-existence of agricultural support services. The livestock sub-sector has suffered considerably as a result of acute shortage of basic inputs and lack of effective veterinary services. Epidemic and zoonotic diseases have re-emerged. The poultry industry, which earlier played a significant role in self-sufficiency in poultry products as well as supplementing the traditional diet, has virtually collapsed due to destruction and shortages of required basic inputs. Deforestation has resulted in soil and environmental degradation in the region. The current Plan intends to address some of these priority requirements.
The implementation of the proposed plan allocated US$ 431.63 million for agriculture of which US$ 216.63 million is for the three northern governorates (Dohuk, Erbil and Suleimaniya).US$ 373.50 million was allocated for irrigation for the 15 governorates.

61. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations. In order to facilitate the observations of their use, the Programme will conduct the tasks provided for in paragraph 8 of annex-1 of the MOU.

PART SIX

PLAN OF PURCHASE OF MATERIALS AND REQUIREMENTS FOR EDUCATION SECTOR

62. Primary, secondary and higher education in Iraq have been effected by the severe shortage of basic teaching materials, school furniture books, and stationery, printing requirements, training laboratories and other basic requirements. The magnitude of the needs of the education sector can be seen in light of the total number of students and pupils, which is US$ 4.8 million. The damages of the classrooms of about 4,157 schools remained non-repaired. Most of these classrooms are without doors or windows. In some schools, the classroom, which usually holds 30 students, enrolls 70 students. A large number of schools still lacks potable water and sanitation. This sector needs an urgent rehabilitation as indicated by the reports of UN agencies and the report of the UN Secretary-General of 18 May 1999 (S/1999/573).

63. The current situation has led to the decrease in school enrollment and to a considerable increase in the rate of school dropouts, particularly in the primary and secondary stages. The quality of teaching has been effected by the lack of basic educational means and materials. Thus, the general, basic and urgent requirements of the educational sector throughout Iraq are estimated at large amounts, US$ 388.98 million allocated for this sector, of which US$ 227.09 million have been allocated in the plan for the basic educational requirements up to the secondary stage, of which US$ 67.59 million allocated for the three northern governorates.
For Higher education this plan allocates US $ 161.99 million of which US $ 41.89 million for higher education in the three northern governorates.

64. The basic educational infrastructures in the three northern governorates have been hugely damaged and suffered from severe shortage of basic educational materials, including books. The plan allocates US$ 41 million to address the current need for rehabilitating the damaged schools, furniture as well as training the personnel. Of the proposed allocation, US$ 11 million will be directed towards primary education, US$ 10 million for secondary education. There will be an emphasis on the procurement of essential school supplies and equipment, and the development of training materials and rehabilitation of schools will also be a priority. In addition, US$ 20 million will be directed towards higher education, where again the emphasis will be on the procurement of supplies and equipment, including reference books and journals, library supplies, basic office and furniture items, and specialized equipment for technical and vocational training. Emphasis should be given to

ensuring equal access to primary special education for children with disabilities and strengthening the capacities and service providers.

PART SEVEN

Infrastructure support for Food, Nutrition , Agriculture and Health sector Transport and Tele Communications Plan of Purchase of Materials and Requirements

FOR TELECOMMUNICATIONS AND TRANSPORTATION BANKING REQUIREMENTS

A. TELECOMMUNICATIONS

65. The telecommunication sector is considered as the infrastructure to Iraq's infrastructure. It has a vital role to play in the improvement of food distribution, medicine, water and sanitation, electricity, and the rest of the humanitarian Programme sectors. Before 1991 the telephone density in the country was 5.6 telephones per 100 inhabitants. In 1999 this density has decreased to 3.3 due to damaged exchanges, shortage of spares and increase in the population. World telephone density average is 10%.

66. The present state of telecommunication systems throughout Iraq is extremely poor. Apart from the wider social considerations, there are negative consequences for the efficient procurement and distribution of humanitarian supplies. The difficulties experienced by the Ministries involved in implementing the MOU when communicating with their suppliers have contributed to delays in ensuring timely submission of applications and subsequently in the delivery of supplies to Iraq. In the health sector, poor communications between warehouses and hospitals have contributed to delays in the collection of supplies by health facilities. The absence of adequate data links has also hindered the timely passing on of accurate information on requirements. With regard to the electricity sector, this has affected the co-ordination of operation between the source, the transmission stations and substations.

67. A UN mission (August 1998) to Iraq by experts delegated from the International Telecommunication Union (ITU) has concluded that the entire telecommunication infrastructure is deteriorating to such an extent that the quality of service is beyond comprehension. The rate of unsuccessful calls has risen dramatically in recent years and the quality of transmission channels is so bad that it constitutes a major problem for even the transmission of faxes. At present, the transfer of computer files, (data transfer), is almost impossible via the public telephone network and this affects directly UN observation activities and reporting. The mission, further, concluded that the rehabilitation and modernization of the telecommunication network is a huge development project. It would require an investment of US$ 1 billion or more and its

implementation could take between 7 and 10 years. This of course falls outside the SCR 986 Programme.

68. In order to ensure a more effective implementation of a distribution plan and enhanced utilization of commodities imported, communication equipment is required. The requirements presented in the current distribution plan are those identified by ITU mission referred to in item 4 below and has the following objective:
Replacement of damaged or obsolete equipment and introduction of some new equipment that will improve communications in areas of activities of the humanitarian Programme in Baghdad and other few selected areas. This will directly have positive impact on the improvement of the procurement and distribution system of humanitarian supplies

69. The installation of telecommunication projects requires high level of expertise. Before 1991, the staff of ITPC used to carry out all the installation of telecommunication equipment with minor supervision from the suppliers. The same staff was able to put the majority of the remaining systems, immediately after the war, into operation. The plan envisages the utmost use of local resources for the installation and commissioning of the projects, to minimize expenditures.

70. Whilst the establishment of telecommunication projects requires a very high level of investment, this all risks to be lost unless those projects are adequately maintained. In order to maintain these projects properly, planned on-job training is required. It goes without saying that the new equipment to be purchased is of new technical generation. This will require training in the manufacturer premises.

B. RAILWAYS

C.

71. The Iraqi Railways plays a great part in the transportation of food and agriculture products, beginning with the first stage of farming by providing fertilizers, seeds, etc. This kind of transportation from most of the cities in Iraq to different parts of the country requires special wagons and rolling stock. Most of the transportation of food which arrived at Um-Qaser port under the MOU, especially grains and rice, are carried by railways to most cities of Iraq. The Iraqi Railways can not fulfil its obligations to distribute the required quantities of food due to the lack of spare parts for locomotives and wagons, which are needed for this huge transportation task. The number of operating locomotives has been reduced to 65, and the operating number of wagons reduced from 11000 to 1000, representing different kinds of wagons.

because of this shortage of spare parts needed for major maintenance. The Iraqi Railways need 365 locomotives per day to be in a position to assure a minimum standard of transportation service. Moreover, the condition of the present railway track system, totaling about 2500 KM, is not in a state of repair which permits the acceptance of this number of locomotives and wagons, because of the non availability of spare parts and materials for maintenance of the tracks, including spare parts for track-maintenance machines. This situation affects the capacity and the safety of the rail transport system, and will only deteriorate further unless urgent measures are taken to halt the decline.

72. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to make sure of this. The Programme will conduct the tasks provided for in paragraph 8 of annex-I of the MOU.

C. PORTS

73. The port of Um-Qaser is the only port in Iraq authorized to receive commodities imported to Iraq against the MOU. Since 1991 the port facilities have not been maintained and consequently they have now degraded to an extent which is severely limiting the ability to handle humanitarian supplies. To prevent further degradation in the situation it is necessary to dredge the entry channels and repair the port facilities.

Dredging. Prior to 1991, the channel and wharf could accept vessels with a draught of 10.5 meters. Today that draught has been reduced to 8.5 – 9 meters , and as result larger vessels discharge in Jordan(Aqaba) and goods are transported by road to Iraq a distance of 1350 KM. This adds 4 to 5 days to the transit time and increase transport cost by $38-40 per metric tons. Dredging the channels and port will increase in the capacity of Um-Qaser will lead to an increase in the capacity and result in more vessels using the port. This will increase the rate of delivery of Humanitarian Supplies into Iraq and reduce the landed cost of goods by $38 - $ 40 per metric ton.

Port Facilities. The state of port facilities has similarly degenerated. Mechanical handling equipment is old and inefficient; safety equipment, including fire fighting equipment, is obsolete and unreliable; auxiliary power, essential to provide 24 hours operation and for safety and security, is non-existent. The availability of tugs and pilot vessels imposes delays on berthing and accordingly on the speed of discharging humanitarian supplies. The speed of discharging has a direct effect on the receipt and ultimate distribution of humanitarian supplies, as well as the total cost of commodities. Any improvement in this area will have a positive effect on the humanitarian Programme.

D. LAND TRANSPORT

74. To carry MOU commodities from UM QASR and Irebil, different kinds of trucks (flat semi trailer, refrigerants, open trailers lorries of different kinds and capacities are required for this purpose. More than 1000 trucks are required per year.

D. PUBLIC TRANSPORT

75. To overcome congestion in carrying public throughout the country (towns and rural areas), different kinds of busses are required (city and inter city mini busses, coasters, etc.). Since, trains could not meet the demand.

E. OTHER SUB-SECTORS

76. Demand for supplying earth moving equipment (shovels, graders, etc..) together with fuel tankers, water tankers, generating sets, etc. are needed to replace old ones. Also needed tyres, spare parts, repair kits and tools for this purpose.

77. Attached at Annex 7 is a list of projects contemplated.

78. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide the Programme with detailed information about the delivery of supplies and equipment to their locations in order to facilitate the monitoring of their use and to make sure of this. The Programme will conduct the tasks provided for in paragraph 8 of annex-I of the MOU.

PART EIGHT
PLAN FOR THE REQUIREMENTS OF THE OIL SECTOR

79. The implementation of the provisions of distribution plan necessitates achieving steady and sustained rate of oil exports which requires the continuation of the purchase of spare parts, materials and equipment needed for maintenance, rehabilitation and upgrading of obsolete or semi-obsolete equipment and systems as well as development of existing and new oil fields in the upstream sector in order to compensate for the depletion in oil available for export and prevent further deterioration in oil production, processing, storage , transportation capabilities and ensure better reservoir management and improve environmental protections and pollution control.

80. In regard to downstream requirements, the provision of various oil products for local consumption meets a range of essential humanitarian requirements including heating , cooking, transportation and electricity production. Hence it is essential to sustain the safe operations of the existing refineries with acceptable standards of efficiency, safety and environmental protection, as well as to continue the rehabilitation, revamping & upgrading of the oil product production & distribution facilities to achieve these aims as well as provide and transport the fuel needed to operate the electricity generating plants in the country. Moreover, overcoming severe and chronic shortages in essential items such as LPG cylinders which have been utilized years beyond their safe working life, requiring immediate replenishment and compensation to avoid unnecessary burns and accidents. Similarly, fuel stations and other related facilities should be operated within appropriate safety margins. Hence provision has to be made for the continued supply of urgently required equipment to achieve the above aims.

81. US$ 600 million dollars is allocated (UN SCR 1302) for the Oil Sector in phase VIII for the supply of spare parts, materials, equipment and cost of service contracts to cover the essential and urgent needs of the Oil Sector, to enable it to implement the necessary works and projects mentioned above. US$ 350 million dollars will be for the upstream and US$ 250 million dollars for the downstream requirements.

    An annex coded (08 –8) outlining the Oil Sector s requirements will be submitted separately by the secretary general after consultations between his authorized representatives and the Iraqi Ministry of Oil.

82. In accordance with paragraph (41) of the MOU., the Government of Iraq shall provide detailed and timely information about the delivery of supplies of equipment to their locations in order to facilitate and ensure observation of their use.